

**WASHINGTON STATE FERRIES PASSENGER ONLY PROGRAM**

**BRIEFING PAPER**

Prepared for the  
March 2002 TRANSPORTATION COMMISSION MEETING

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**PURPOSE:**

Inform the Commission of the comparative operating costs and revenues for passenger only ferry service and auto ferry service. Update the Commission on WSF's outreach activities.

**ACTION/OUTCOME:**

Ensure that the Commission understands the revenue and expenditure economics as a prelude to future discussions regarding the disposition of WSF's auto ferry and passenger only service.

**BACKGROUND:**

Since its inception in 1951, WSF has been providing marine linkages across Puget Sound necessary to complete the highway network. This auto ferry service transports 11 million vehicles and drivers and 14 million passengers annually. In fact, our auto ferries are the largest mass-transportation vehicles in the state. Vehicular tariffs subsidize walk-on and vehicle passenger fares to an extent where the operating costs of our three busiest commuter routes are funded nearly 100% by farebox revenues.

In 1985, a new type of ferry service was launched in Puget Sound. Passenger only ferries purchased with federal transit funds were introduced to service between Bremerton and Seattle. The demand for passenger only ferry service has grown to the point where WSF now operates 2 high speed passenger ferries between Seattle and Bremerton and 1 boat to Vashon from Seattle. Annual ridership reached 1.2 million in fiscal year 2001.

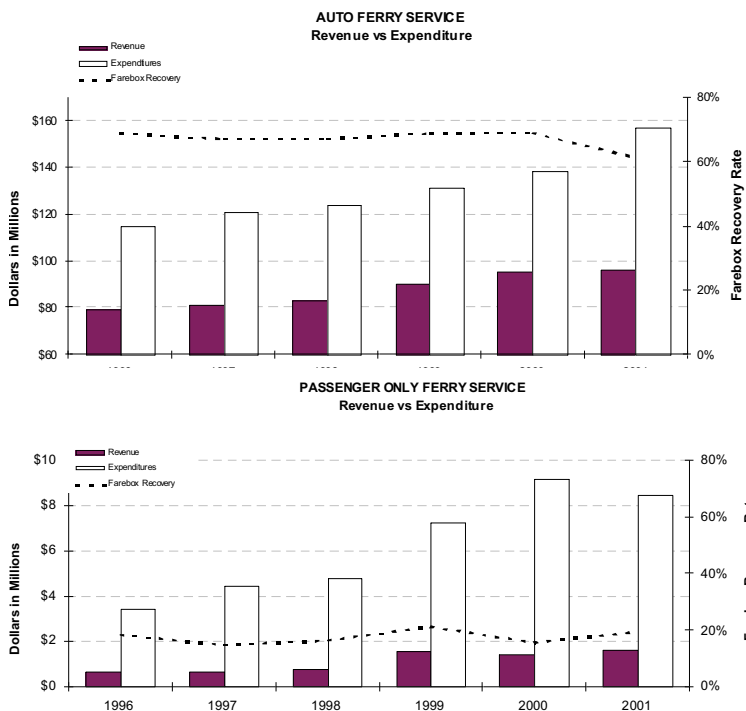
**DISCUSSION:**

WSF provides two types of ferry service: auto ferry service and passenger only ferry service. The farebox recovery rates for passenger only service are significantly lower than auto ferry rates. Therefore, passenger only ferry service requires greater tax subsidies than auto ferry service.

Policy makers are interested in distinguishing between highway and transit activities. How we classify the type of ferry service has significant implications for the appropriate level of state subsidy and source of funds for the state support.

## RECOMMENDATION:

WSF will embark on a vigorous review of passenger only ferry service and auto ferry service. We will meet with community leaders, regional transit systems, policy makers, and the public. WSF will report back to the Commission with recommendations for long term funding solutions for the ongoing operating and capital costs associated with our service.



The farebox recovery rate for auto ferry service averaged 68% for fiscal years 1996-2000. Fiscal year 2001 farebox recovery rates dipped to 61% as a result of higher fuel prices and a disproportionate distribution of Program S and Program U support costs in the second year of the biennium.

WSF operates passenger only ferry service on two routes:  
Seattle – Vashon  
Seattle - Bremerton

Passenger only farebox recovery rates have averaged 18% for the last six years.

### AUTO FERRY FAREBOX RECOVERY COMPARISONS

|                                  |     |
|----------------------------------|-----|
| B.C. Ferries                     | 82% |
| WSF Auto Routes (6 year average) | 67% |
| Alaska Marine Highway            | 51% |

### TRANSIT FAREBOX RECOVERY COMPARISONS

|  |     |
|--|-----|
| Amtrak Cascades                            | 42% |
| San Francisco Golden Gate Ferry            | 33% |
| King County Metro Bus Service              | 25% |
| Community Transit Bus Service              | 24% |
| WSF Passenger Only Routes (6 year average) | 18% |

### WSF PASSENGER ONLY OPERATING COST INFORMATION (FISCAL YEAR 2002)

Vessel type  
Vessel days per year  
Engine room hours

#### Costs

Deck labor  
Engine room labor  
Fuel  
Vessel non-labor  
Terminal labor  
Terminal non-labor  
Vessel maintenance

#### Total Operating Costs

| Seattle - Bremerton   | Seattle - Vashon                                       | Total Passenger Only Direct Program Costs |
|---|--|---|
| 2 Passenger Only Fast Ferries<br>260 (weekdays only)<br>4,160 hours | 1 Passenger Only<br>260 (weekdays only)<br>4,160 hours |   |
| Deck labor<br>1,377,492   | 671,728  | 2,049,220                                 |
| Engine room labor<br>533,228  | 213,655  | 746,883                                   |
| Fuel<br>1,175,068   | 303,122  | 1,478,190                                 |
| Vessel non-labor<br>540,800   | 270,400  | 811,200                                   |
| Terminal labor<br>126,263   | 55,676   | 181,939                                   |
| Terminal non-labor<br>291,200                                       | 145,600  | 436,800                                   |
| Vessel maintenance<br>416,000                                       | 208,000  | 624,000                                   |
| <b>Total Operating Costs</b><br><b>4,460,051</b>                    | <b>1,868,181</b>                                       | <b>6,328,232</b>                          |